



General Assembly

**Substitute Bill No. 5074**

February Session, 2010

\* \_\_\_\_HB05074CE\_\_\_\_032310\_\_\_\_ \*

**AN ACT ENCOURAGING BIOMANUFACTURING JOBS IN  
DISTRESSED MUNICIPALITIES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 32-9p of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2010*):

3 As used in subdivisions (59) and (60) of section 12-81, as amended  
4 by this act, and sections 12-217e, 32-9p to 32-9s, inclusive, as amended  
5 by this act, and 32-23p, the following words and terms have the  
6 following meanings:

7 (a) "Area of high unemployment" means, as of the date of any final  
8 and official determination by the authority or the department to  
9 extend assistance under said sections, any municipality which is a  
10 distressed municipality as defined in subsection (b) of this section, and  
11 any other municipality in the state which in the calendar year  
12 preceding such determination had a rate of unemployment which  
13 exceeded one hundred ten per cent of the average rate of  
14 unemployment in the state for the same calendar year, as determined  
15 by the Labor Department, provided no such other municipality with  
16 an unemployment rate of less than six per cent shall be an area of high  
17 unemployment.

18 (b) "Distressed municipality" means, as of the date of the issuance of

19 an eligibility certificate, any municipality in the state which, according  
20 to the United States Department of Housing and Urban Development  
21 meets the necessary number of quantitative physical and economic  
22 distress thresholds which are then applicable for eligibility for the  
23 urban development action grant program under the Housing and  
24 Community Development Act of 1977, as amended, or any town  
25 within which is located an unconsolidated city or borough which  
26 meets such distress thresholds. Any municipality which, at any time  
27 subsequent to July 1, 1978, has met such thresholds but which at any  
28 time thereafter fails to meet such thresholds, according to said  
29 department, shall be deemed to be a distressed municipality for a  
30 period of five years subsequent to the date of the determination that  
31 such municipality fails to meet such thresholds, unless such  
32 municipality elects to terminate its designation as a "distressed  
33 municipality", by vote of its legislative body, not later than September  
34 1, 1985, or not later than three months after receiving notification from  
35 the commissioner that it no longer meets such thresholds, whichever is  
36 later. In the event a distressed municipality elects to terminate its  
37 designation, the municipality shall notify the commissioner and the  
38 Secretary of the Office of Policy and Management in writing within  
39 thirty days. In the event that the commissioner determines that  
40 amendatory federal legislation or administrative regulation has  
41 materially changed the distress thresholds thereby established,  
42 "distressed municipality" shall mean any municipality in the state  
43 which meets comparable thresholds of distress which are then  
44 applicable in the areas of high unemployment and poverty, aging  
45 housing stock and low or declining rates of growth in job creation,  
46 population and per capita income as established by the commissioner,  
47 consistent with the purposes of subdivisions (59) and (60) of section 12-  
48 81, as amended by this act, and sections 12-217e, as amended by this  
49 act, 32-9p to 32-9s, inclusive, as amended by this act, and 32-23p, in  
50 regulations adopted in accordance with chapter 54. For purposes of  
51 sections 32-9p to 32-9s, inclusive, as amended by this act, "distressed  
52 municipality" shall also mean any municipality adversely impacted by  
53 a major plant closing, relocation or layoff, provided the eligibility of a

54 municipality shall not exceed two years from the date of such closing,  
55 relocation or layoff. The Commissioner of Economic and Community  
56 Development shall adopt regulations, in accordance with the  
57 provisions of chapter 54, which define what constitutes a "major plant  
58 closing, relocation or layoff" for purposes of sections 32-9p to 32-9s,  
59 inclusive, as amended by this act. "Distressed municipality" shall also  
60 mean the portion of any municipality which is eligible for designation  
61 as an enterprise zone pursuant to subdivision (2) of subsection (b) of  
62 section 32-70.

63 (c) "Eligibility certificate" means a certificate issued by the  
64 department pursuant to section 32-9r, as amended by this act,  
65 evidencing its determination that a facility for which an application for  
66 assistance has been submitted qualifies as a manufacturing facility and  
67 is eligible for assistance under section 12-217e, as amended by this act,  
68 and subdivisions (59) and (60) of section 12-81, as amended by this act.

69 (d) "Manufacturing facility" means any plant, building, other real  
70 property improvement, or part thereof, (1) which (A) is constructed or  
71 substantially renovated or expanded on or after July 1, 1978, in a  
72 distressed municipality, a targeted investment community as defined  
73 in section 32-222, or an enterprise zone designated pursuant to section  
74 32-70, or (B) is acquired on or after July 1, 1978, in a distressed  
75 municipality, a targeted investment community as defined in section  
76 32-222, or an enterprise zone designated pursuant to [said] section 32-  
77 70, by a business organization which is unrelated to and unaffiliated  
78 with the seller, after having been idle for at least one year prior to its  
79 acquisition and regardless of its previous use; (2) which is to be used  
80 for the manufacturing, processing or assembling of raw materials,  
81 parts or manufactured products, for research and development  
82 facilities directly related to manufacturing, for the significant servicing,  
83 overhauling or rebuilding of machinery and equipment for industrial  
84 use, or, except as provided in this subsection, for warehousing and  
85 distribution or, (A) if located in an enterprise zone designated  
86 pursuant to [said] section 32-70, which is to be used by an  
87 establishment, an auxiliary or an operating unit of an establishment as

88 such terms are defined in the Standard Industrial Classification  
89 Manual, in the categories of depository institutions, nondepository  
90 credit institutions, insurance carriers, holding or other investment  
91 offices, business services, health services, fishing, hunting and  
92 trapping, motor freight transportation and warehousing, water  
93 transportation, transportation by air, transportation services, security  
94 and commodity brokers, dealers, exchanges and services,  
95 telemarketing or engineering, accounting, research, management and  
96 related services including, but not limited to, management consulting  
97 services from the Standard Industrial Classification Manual or in  
98 Sector 48, 49, 52, 54, 55, or 62, Subsector 114 or 561, or industry group  
99 5621 in the North American Industrial Classification System, United  
100 States Manual, United States Office of Management and Budget, 1997  
101 edition, which establishment, auxiliary or operating unit shows a  
102 strong performance in exporting goods and services, and as further  
103 defined by the commissioner through regulations adopted under  
104 chapter 54, or (B) if located in an enterprise zone designated pursuant  
105 to [said] section 32-70, which is to be used by an establishment  
106 primarily engaged in supplying goods or services in the fields of  
107 computer hardware or software, computer networking,  
108 telecommunications or communications, or (C) if located in a  
109 municipality with an entertainment district designated under section  
110 32-76 or established under section 2 of public act 93-311, is to be used  
111 in the production of entertainment products, including multimedia  
112 products, or as part of the airing, display or provision of live  
113 entertainment for stage or broadcast, including support services such  
114 as set manufacturers, scenery makers, sound and video equipment  
115 providers and manufacturers, stage and screen writers, providers of  
116 capital for the entertainment industry and agents for talent, writers,  
117 producers and music properties and technological infrastructure  
118 support including, but not limited to, fiber optics, necessary to support  
119 multimedia and other entertainment formats, except entertainment  
120 provided by or shown at a gambling or gaming facility or a facility  
121 whose primary business is the sale or serving of alcoholic beverages;  
122 and (3) for which the department has issued an eligibility certificate in

123 accordance with section 32-9r, as amended by this act. In the case of  
124 facilities which are acquired, the department may waive the  
125 requirement of one year of idleness if it determines that, absent  
126 qualification as a manufacturing facility under subdivisions (59) and  
127 (60) of section 12-81, as amended by this act, and sections 12-217e, as  
128 amended by this act, 32-9p to 32-9s, inclusive, as amended by this act,  
129 and 32-23p, there is a high likelihood that the facility will remain idle  
130 for one year. In the case of facilities located in an enterprise zone  
131 designated pursuant to [said] section 32-70, (A) the idleness  
132 requirement in subparagraph (B) of subdivision (1) of this subsection,  
133 for business organizations which over the six months preceding such  
134 acquisition have had an average total employment of between six and  
135 nineteen employees, inclusive, shall be reduced to a minimum of six  
136 months, and (B) the idleness requirement shall not apply to business  
137 organizations with an average total employment of five or fewer  
138 employees, provided no more than one eligibility certificate shall be  
139 issued under this subparagraph for the same facility within a three-  
140 year period. Of those facilities which are for warehousing and  
141 distribution, only those which are newly constructed or which  
142 represent an expansion of an existing facility qualify as manufacturing  
143 facilities. In the event that only a portion of a plant is acquired,  
144 constructed, renovated or expanded, only the portion acquired,  
145 constructed, renovated or expanded constitutes the manufacturing  
146 facility. A manufacturing facility which is leased may for the purposes  
147 of subdivisions (59) and (60) of section 12-81, as amended by this act,  
148 and sections 12-217e, as amended by this act, 32-9p to 32-9s, inclusive,  
149 as amended by this act, and 32-23p, be treated in the same manner as a  
150 facility which is acquired if the provisions of the lease serve to further  
151 the purposes of subdivisions (59) and (60) of section 12-81, as amended  
152 by this act, and sections 12-217e, as amended by this act, 32-9p to 32-9s,  
153 inclusive, as amended by this act, and 32-23p and demonstrate a  
154 substantial, long-term commitment by the occupant to use the  
155 manufacturing facility, including a contract for lease for an initial  
156 minimum term of five years with provisions for the extension of the  
157 lease at the request of the lessee for an aggregate term which shall not

158 be less than ten years, or the right of the lessee to purchase the facility  
159 at any time after the initial five-year term, or both. For a facility located  
160 in an enterprise zone designated pursuant to [said] section 32-70, and  
161 occupied by a business organization with an average total employment  
162 of ten or fewer employees over the six-month period preceding  
163 acquisition, such contract for lease may be for an initial minimum term  
164 of three years with provisions for the extension of the lease at the  
165 request of the lessee for an aggregate term which shall not be less than  
166 six years, or the right of the lessee to purchase the facility at any time  
167 after the initial three-year term, or both, and may also include the right  
168 for the lessee to relocate to other space within the same enterprise  
169 zone, provided such space is under the same ownership or control as  
170 the originally leased space or if such space is not under such same  
171 ownership or control as the originally leased space, permission to  
172 relocate is granted by the lessor of such originally leased space, and  
173 such relocation shall not extend the duration of benefits granted under  
174 the original eligibility certificate. Except as provided in subparagraph  
175 (B) of subdivision (1) of this subsection, a manufacturing facility does  
176 not include any plant, building, other real property improvement or  
177 part thereof used or usable for such purposes which existed before July  
178 1, 1978.

179 (e) "Service facility" means a manufacturing facility described in  
180 subparagraph (A) or (B) of subdivision (2) of subsection (d) of this  
181 section, provided such facility is located outside of an enterprise zone  
182 in a targeted investment community.

183 (f) "Authority", "capital reserve fund bond", "commissioner",  
184 "department", "industrial project" and "insurance fund" shall have the  
185 meaning such words and terms are given in section 32-23d.

186 (g) "Municipality" means any town, city or borough in the state.

187 (h) "Biomanufacturing facility" means any plant, building, other real  
188 property improvement or part thereof, (1) (A) constructed or  
189 substantially renovated or expanded, on or after the effective date of

190 this section, in a distressed municipality, or (B) acquired, on or after  
191 the effective date of this section, in a distressed municipality, by a  
192 business organization which is unrelated to and unaffiliated with the  
193 seller, after having been idle for at least one year prior to its acquisition  
194 and regardless of its previous use; (2) to be used in the course of  
195 development of technologies that use chemical, physical or biological  
196 processes performed by living cells for use in other applications,  
197 including, but not limited to, the production of pharmaceuticals; and  
198 (3) for which the department has issued an eligibility certificate in  
199 accordance with section 32-9r, as amended by this act. In the case of  
200 facilities which are acquired, the Department of Economic and  
201 Community Development may waive the requirement of one year of  
202 idleness if it determines that, absent qualification as a  
203 biomanufacturing facility under subdivision (59) of section 12-81, as  
204 amended by this act, or sections 12-217e, 32-9p and 32-9r, as amended  
205 by this act, there is a high likelihood that the facility will remain idle  
206 for one additional year. Of those facilities which are solely for  
207 warehousing and distribution, only those which are newly constructed  
208 or which represent an expansion of an existing facility qualify as  
209 biomanufacturing facilities. In the event that only a portion of a plant  
210 is acquired, constructed, renovated or expanded, only the portion  
211 acquired, constructed, renovated or expanded constitutes the  
212 biomanufacturing facility. A biomanufacturing facility which is leased  
213 may, for the purposes of subdivision (59) of section 12-81, as amended  
214 by this act, or sections 12-217e, 32-9p and 32-9r, as amended by this act,  
215 be treated in the same manner as a facility which is acquired if the  
216 provisions of the lease serve to further the purposes of subdivision (59)  
217 of section 12-81, as amended by this act, or sections 12-217e, 32-9p and  
218 32-9r, as amended by this act, and demonstrate a substantial, long-  
219 term commitment by the occupant to use the biomanufacturing  
220 facility, by including in a contract for lease an initial minimum term of  
221 five years with provisions for the extension of the lease at the request  
222 of the lessee for an aggregate term which shall not be less than ten  
223 years, or the right of the lessee to purchase the facility at any time after  
224 the initial five-year term, or both. Except as provided in subparagraph

225 (B) of subdivision (1) of this subsection, a biomanufacturing facility  
226 does not include any plant, building, other real property improvement  
227 or part thereof which was used or usable for biomanufacturing  
228 purposes before the effective date of this section.

229 Sec. 2. Section 32-9r of the general statutes is repealed and the  
230 following is substituted in lieu thereof (*Effective July 1, 2010*):

231 (a) Any person may apply to the department for a determination as  
232 to whether the facility described in an application qualifies as a  
233 manufacturing facility, biomanufacturing facility or service facility.  
234 Applications for eligibility certificates are to be made on the forms and  
235 in the manner prescribed by the department. In evaluating each  
236 application the department may require the submission of all books,  
237 records, documents, drawings, specifications, certifications and other  
238 evidentiary items which it deems appropriate.

239 (b) No eligibility certificate shall be issued after March 1, 1991, for a  
240 manufacturing facility located in a distressed municipality which does  
241 not qualify as a targeted investment community unless the department  
242 has issued to the applicant a commitment letter for such facility prior  
243 to March 1, 1991. Notwithstanding the provisions of this subsection, an  
244 eligibility certificate may be issued by the department after March 1,  
245 1991, for a qualified manufacturing facility acquired, constructed or  
246 substantially renovated in a distressed municipality provided the  
247 commissioner determines that such acquisition, construction or  
248 substantial renovation was initiated prior to March 1, 1991, and was  
249 legitimately induced by the prospect of assistance under section 12-  
250 217e, as amended by this act, and subdivisions (59) and (60) of section  
251 12-81, as amended by this act, respectively.

252 (c) The department may issue an eligibility certificate for a qualified  
253 manufacturing facility or a qualified service facility located in a  
254 targeted investment community upon determination by the  
255 commissioner [(A)] (1) that the acquisition, construction or substantial  
256 renovation relating to the qualified manufacturing facility or qualified



257 service facility in such community was induced by the prospect of  
258 assistance under section 12-217e, as amended by this act, and  
259 subdivisions (59) and (60) of [said] section 12-81, as amended by this  
260 act; and [(B)] (2) the applicant demonstrates an economic need or there  
261 is an economic benefit to the state. The department shall issue an  
262 eligibility certificate if the commissioner determines [(1)] (A) that the  
263 manufacturing facility is located in an enterprise zone designated  
264 pursuant to section 32-70 and is a qualified manufacturing facility, or  
265 [(2)] (B) that the facility is a plant, building, other real property  
266 improvement, or part thereof, which is located in a municipality with  
267 an entertainment district designated under section 32-76 or established  
268 under section 2 of public act 93-311, and which qualifies as a  
269 "manufacturing facility" under subsection (d) of section 32-9p, as  
270 amended by this act, in that it is to be used in the production of  
271 entertainment products, including multimedia products, or as part of  
272 the airing, display or provision of live entertainment for stage or  
273 broadcast, including support services such as set manufacturers,  
274 scenery makers, sound and video equipment providers and  
275 manufacturers, stage and screen writers, providers of capital for the  
276 entertainment industry and agents for talent, writers, producers and  
277 music properties and technological infrastructure support including,  
278 but not limited to, fiber optics, necessary to support multimedia and  
279 other entertainment formats, except entertainment provided by or  
280 shown at a gambling or gaming facility or a facility whose primary  
281 business is the sale or serving of alcoholic beverages.

282 (d) The department may issue an eligibility certificate for a  
283 biomanufacturing facility upon determination by the commissioner  
284 that (1) the acquisition, construction or substantial renovation relating  
285 to the biomanufacturing facility was initiated prior to July 1, 2014; (2)  
286 such acquisition, construction or substantial renovation was  
287 legitimately induced by the prospect of assistance under section 12-  
288 217e, as amended by this act, or subdivisions (59) and (60) of section  
289 12-81, as amended by this act; and (3) the applicant demonstrates an  
290 economic need or there is an economic benefit to the state.

291 [(b)] (e) The department shall reach a determination as to the  
292 eligibility of a facility within a reasonable time period, but may  
293 postpone the determination to the extent required to verify to its  
294 satisfaction that there is a high likelihood that any proposed facility  
295 will actually be constructed, expanded, substantially renovated or  
296 acquired. Upon a favorable finding, the department shall issue to the  
297 applicant a certificate to the effect that the facility concerned is a  
298 manufacturing facility, biomanufacturing facility or a service facility  
299 and is eligible for assistance under section 12-217e, as amended by this  
300 act, [and] or subdivisions (59) and (60) of section 12-81, as amended by  
301 this act.

302 [(c)] (f) Upon an unfavorable determination the department shall  
303 issue a notice to the applicant to the effect that the facility concerned  
304 has been determined not to be a manufacturing facility,  
305 biomanufacturing facility or a service facility, together with a  
306 statement in reasonable detail as to the reasons for the unfavorable  
307 determination. Any aggrieved applicant shall be afforded an  
308 opportunity for a public hearing on the matter within thirty days  
309 following issuance of the notice. The department shall reconsider the  
310 application based upon the information presented at the public  
311 hearing and reaffirm or change its earlier determination within ten  
312 days of the hearing.

313 [(d)] (g) The decision of the department to issue an eligibility  
314 certificate or to deny an application for the issuance of an eligibility  
315 certificate either upon the expiration of thirty days without a public  
316 hearing following an initial unfavorable determination or upon any  
317 reconsideration of the application pursuant to subsection [(c)] (f) of this  
318 section is conclusive and final as to the matters thereby decided, and  
319 chapter 54 shall not apply to the administrative determinations  
320 authorized to be made by this section.

321 [(e)] (h) Any person who claims a benefit under section 12-217e, as  
322 amended by this act, or subdivisions (59) and (60) of section 12-81, as  
323 amended by this act, shall notify the department of any change in fact

324 or circumstance which may bear upon the continued qualification as a  
325 manufacturing facility, biomanufacturing facility or a service facility  
326 for which an eligibility certificate has been issued. Upon receipt of such  
327 information or upon independent investigation, the department may  
328 revoke the eligibility certificate in the manner provided in subsection  
329 [(c)] (f) of this section.

330 [(f)] (i) The commissioner shall adopt regulations, in accordance  
331 with chapter 54, to carry out the provisions of this section. Such  
332 regulations shall provide that establishments in the category of  
333 business services, as defined in the Standard Industrial Classification  
334 Manual, or manufacturing facilities, as defined in subsection (d) of  
335 section 32-9p, as amended by this act, may be eligible for a certificate if  
336 they are located in an enterprise zone.

337 Sec. 3. Subdivision (59) of section 12-81 of the 2010 supplement to  
338 the general statutes is repealed and the following is substituted in lieu  
339 thereof (*Effective from passage and applicable to assessment years*  
340 *commencing on or after October 1, 2010*):

341 (59) (a) Any manufacturing facility, as defined in section 32-9p, as  
342 amended by this act, acquired, constructed, substantially renovated or  
343 expanded on or after July 1, 1978, in a distressed municipality, as  
344 defined in said section or in a targeted investment community, as  
345 defined in section 32-222, or in an enterprise zone designated pursuant  
346 to section 32-70 and for which an eligibility certificate has been issued  
347 by the Department of Economic and Community Development, and  
348 any manufacturing plant designated by the Commissioner of  
349 Economic and Community Development under subsection (a) of  
350 section 32-75c as follows: To the extent of eighty per cent of its  
351 valuation for purposes of assessment in each of the five full assessment  
352 years following the assessment year in which the acquisition,  
353 construction, renovation or expansion of the manufacturing facility is  
354 completed, except that a manufacturing facility having a standard  
355 industrial classification code of 2833 or 2834 and having at least one  
356 thousand full-time employees, as defined in subsection (f) of section

357 32-9j, shall be eligible to have the assessment period extended for five  
358 additional years upon approval of the commissioner, in accordance  
359 with all applicable regulations, provided such full-time employees  
360 have not been relocated from another facility in the state operated by  
361 the same eligible applicant;

362 (b) Any service facility, as defined in section 32-9p, as amended by  
363 this act, acquired, constructed, substantially renovated or expanded on  
364 or after July 1, 1996, and for which an eligibility certificate has been  
365 issued by the Department of Economic and Community Development,  
366 as follows: (i) In the case of an investment of twenty million dollars or  
367 more but not more than thirty-nine million dollars in the service  
368 facility, to the extent of forty per cent of its valuation for purposes of  
369 assessment in each of the five full assessment years following the  
370 assessment year in which the acquisition, construction, renovation or  
371 expansion of the service facility is completed; (ii) in the case of an  
372 investment of more than thirty-nine million dollars but not more than  
373 fifty-nine million dollars in the service facility, to the extent of fifty per  
374 cent of its valuation for purposes of assessment in each of the five full  
375 assessment years following the assessment year in which the  
376 acquisition, construction, renovation or expansion of the service  
377 facility is completed; (iii) in the case of an investment of more than  
378 fifty-nine million dollars but not more than seventy-nine million  
379 dollars in the service facility, to the extent of sixty per cent of its  
380 valuation for purposes of assessment in each of the five full assessment  
381 years following the assessment year in which the acquisition,  
382 construction, renovation or expansion of the service facility is  
383 completed; (iv) in the case of an investment of more than seventy-nine  
384 million dollars but not more than ninety million dollars in the service  
385 facility, to the extent of seventy per cent of its valuation for purposes of  
386 assessment in each of the five full assessment years following the  
387 assessment year in which the acquisition, construction, renovation or  
388 expansion of the service facility is completed; or (v) in the case of an  
389 investment of more than ninety million dollars in the service facility, to  
390 the extent of eighty per cent of its valuation for purposes of assessment

391 in each of the five full assessment years following the assessment year  
392 in which the acquisition, construction, renovation or expansion of the  
393 service facility is completed, except that any financial institution, as  
394 defined in section 12-217u, having at least four thousand qualified  
395 employees, as determined in accordance with an agreement pursuant  
396 to subdivision (3) of subsection (n) of section 12-217u, shall be eligible  
397 to have the assessment period extended for five additional years upon  
398 approval of the commissioner, in accordance with all applicable  
399 regulations, provided such full-time employees have not been  
400 relocated from another facility in the state operated by the same  
401 eligible applicant. In no event shall the definition of qualified  
402 employee be more favorable to the employer than the definition  
403 provided in section 12-217u;

404 (c) Any biomanufacturing facility, as defined in section 32-9p, as  
405 amended by this act, acquired, constructed, substantially renovated or  
406 expanded on or after the effective date of this section, but prior to July  
407 1, 2014, and for which an eligibility certificate has been issued by the  
408 Department of Economic and Community Development for an  
409 investment of fifty million dollars or more in such facility, to the extent  
410 of eighty per cent of such facility's valuation for purposes of  
411 assessment in each of the seven full assessment years following the  
412 assessment year in which the acquisition, construction, renovation or  
413 expansion of the biomanufacturing facility is completed;

414 [(c)] (d) The completion date of a manufacturing facility,  
415 biomanufacturing facility, manufacturing plant or a service facility  
416 [will] shall be determined by the Department of Economic and  
417 Community Development taking into account the issuance of  
418 occupancy certificates and such other factors as it deems relevant. In  
419 the case of a manufacturing facility, biomanufacturing facility,  
420 manufacturing plant or a service facility which consists of a  
421 constructed, renovated or expanded portion of an existing plant, the  
422 assessed valuation of the facility or manufacturing plant is the  
423 difference between the assessed valuation of the plant prior to its being  
424 improved and the assessed valuation of the plant upon completion of

425 the improvements. In the case of a manufacturing facility,  
426 biomanufacturing facility, manufacturing plant or a service facility  
427 which consists of an acquired portion of an existing plant, the assessed  
428 valuation of the facility or manufacturing plant is the assessed  
429 valuation of the portion acquired. This exemption shall be applicable  
430 during each such assessment year regardless of any change in the  
431 ownership or occupancy of the facility or manufacturing plant. If  
432 during any such assessment year, however, any facility for which an  
433 eligibility certificate has been issued ceases to qualify as a  
434 manufacturing facility, biomanufacturing facility, manufacturing plant  
435 or a service facility, the entitlement to the exemption allowed by this  
436 subdivision shall terminate for the assessment year following the date  
437 on which the qualification ceases, and there shall not be a pro rata  
438 application of the exemption. Any person who desires to claim the  
439 exemption provided in this subdivision shall file annually with the  
440 assessor or board of assessors in the distressed municipality, targeted  
441 investment community or enterprise zone designated pursuant to  
442 section 32-70, as applicable, in which the manufacturing facility,  
443 biomanufacturing facility or service facility is located, on or before the  
444 first day of November, written application claiming such exemption on  
445 a form prescribed by the Secretary of the Office of Policy and  
446 Management. Failure to file such application in this manner and form  
447 within the time limit prescribed shall constitute a waiver of the right to  
448 such exemption for such assessment year, unless an extension of time  
449 is allowed pursuant to section 12-81k, and upon payment of the  
450 required fee for late filing;

451 Sec. 4. Section 12-217e of the general statutes is repealed and the  
452 following is substituted in lieu thereof (*Effective from passage and*  
453 *applicable to income years commencing on or after January 1, 2010*):

454 (a) There shall be allowed as a credit against the tax imposed by this  
455 chapter an amount equal to twenty-five per cent of that portion of such  
456 tax which is allocable to any manufacturing facility, provided, for any  
457 such facility which is located in an enterprise zone designated  
458 pursuant to section 32-70 or in a municipality with an entertainment

459 district designated under section 32-76 or established under section 2  
460 of public act 93-311 and which became eligible as a manufacturing  
461 facility after the designation of such zone and for which not less than  
462 one hundred fifty full-time employees or thirty per cent of the full-time  
463 employment positions directly attributable to the manufacturing  
464 facility were, during the last quarter of the income year of the  
465 taxpayer, held by employees of the taxpayer who at the time of  
466 employment were (1) residents of such zone, or (2) residents of such  
467 municipality and eligible for training under the Federal  
468 Comprehensive Employment Training Act or any other training  
469 program that may replace the Comprehensive Employment Training  
470 Act, a credit of fifty per cent shall be allowed. A position is directly  
471 attributable to the manufacturing facility if: (A) The work is performed  
472 or the base of operations is at the facility; (B) the position did not exist  
473 prior to the construction, renovation, expansion or acquisition of the  
474 facility; and (C) but for the construction, renovation, expansion or  
475 acquisition of the facility, the position would not have existed,  
476 provided nothing in this section shall preclude a position from being  
477 considered directly attributable to a manufacturing facility if such  
478 position formerly existed in an eligible manufacturing facility in the  
479 same municipality under section 32-9p, as amended by this act.

480 (b) There shall be allowed as a credit against the tax imposed by this  
481 chapter an amount equal to the following percentage of that portion of  
482 such tax which is allocable to any service facility: (1) Fifteen per cent, if  
483 there are three hundred or more but not more than five hundred  
484 ninety-nine new employees working at such facility; (2) twenty per  
485 cent if there are six hundred or more but not more than eight hundred  
486 ninety-nine new employees working at such facility; (3) twenty-five  
487 per cent, if there are nine hundred or more but not more than one  
488 thousand one hundred ninety-nine new employees working at such  
489 facility; (4) thirty per cent if there are one thousand two hundred or  
490 more but not more than one thousand four hundred ninety-nine new  
491 employees working at such facility; (5) forty per cent, if there are one  
492 thousand five hundred or more but not more than one thousand nine

493 hundred ninety-nine new employees working at such facility; or (6)  
494 fifty per cent if there are two thousand or more new employees  
495 working at such facility. As used in this subsection: (A) "New  
496 employee" means a person hired by a taxpayer to fill a position for a  
497 new job or a person shifted from an existing location of the taxpayer  
498 outside this state to a service facility in this state, provided (i) in no  
499 case shall the total number of new employees allowed for purposes of  
500 this credit exceed the total increase in the taxpayer's employment in  
501 this state, which increase shall be the difference between (I) the  
502 number of employees employed by the taxpayer in this state at the  
503 time of application to the Commissioner of Revenue Services for such  
504 credit plus the number of new employees who would be eligible for  
505 inclusion under the credit allowed under this subsection without  
506 regard to this calculation, and (II) the highest number of employees  
507 employed by the taxpayer in this state in the year preceding the  
508 taxpayer's application to the Commissioner of Revenue Services for  
509 such credit, and (ii) a person shall be deemed to be a "new employee"  
510 only if such person's duties in connection with the operation of the  
511 facility are on a regular, full-time or equivalent or full-time and  
512 permanent basis; and (B) "new job" means a job that did not exist in the  
513 business of a taxpayer in this state prior to the taxpayer's application to  
514 the Commissioner of Revenue Services for such credit and that is filled  
515 by a new employee, but does not include a job created when an  
516 employee is shifted from an existing location of the taxpayer in this  
517 state to a service facility.

518 (c) There shall be allowed as a credit against the tax imposed by this  
519 chapter an amount equal to fifty per cent of that portion of such tax  
520 which is allocable to any biomanufacturing facility, as defined in  
521 section 32-9p, as amended by this act, provided such facility is located  
522 in a distressed municipality, as defined in section 32-9p, as amended  
523 by this act, and the greater of fifty full-time employees or thirty per  
524 cent of the full-time employment positions directly attributable to the  
525 biomanufacturing facility were, during the last quarter of the income  
526 year of the taxpayer, held by employees of the taxpayer who at the



527 time of employment were residents of such municipality. A position is  
528 directly attributable to the biomanufacturing facility if: (1) The work is  
529 performed or the base of operations is at the facility; (2) the position  
530 did not exist prior to the construction, renovation, expansion or  
531 acquisition of the facility; and (3) but for the construction, renovation,  
532 expansion or acquisition of the facility, the position would not have  
533 existed, provided nothing in this section shall preclude a position from  
534 being considered directly attributable to a biomanufacturing facility if  
535 such position formerly existed in an eligible biomanufacturing facility  
536 in the same municipality under section 32-9p, as amended by this act.

537 [(c)] (d) The portion of such tax which is allocable to such a  
538 manufacturing facility, biomanufacturing facility or service facility  
539 shall be determined by multiplying such tax by a fraction computed as  
540 the simple arithmetical mean of the following fractions: First, a fraction  
541 the numerator of which is the average monthly net book value in the  
542 income year of the manufacturing facility, biomanufacturing facility or  
543 service facility and machinery and equipment acquired for and  
544 installed in the manufacturing facility, biomanufacturing facility or  
545 service facility, without deduction on account of any encumbrance  
546 thereon, or if rented to the taxpayer, the value of the manufacturing  
547 facility, biomanufacturing facility or service facility and machinery and  
548 equipment acquired for and installed in the manufacturing facility,  
549 biomanufacturing facility or service facility, computed by multiplying  
550 the gross rents payable by the taxpayer for the manufacturing facility  
551 or service facility and such machinery and equipment during the  
552 income year or period by eight, and the denominator of which is the  
553 sum of the average monthly net book value of all real property and  
554 machinery and equipment held and owned by the taxpayer in the  
555 state, without deduction on account of any encumbrance thereon and  
556 the value of all real property and machinery and equipment rented to  
557 the taxpayer in the state, computed by multiplying the gross rents  
558 payable during the income year by eight; and second, a fraction the  
559 numerator of which is all wages, salaries and other compensation paid  
560 during the income year to employees of the taxpayer whose positions

561 are directly attributable to the manufacturing facility or service facility  
562 and the denominator of which is the wages, salaries and other  
563 compensation paid during the income year to all employees of the  
564 taxpayer in the state. An employee's position is directly so attributable  
565 if (1) the employee's service is performed or [his] such employee's base  
566 of operations is at the manufacturing facility, biomanufacturing facility  
567 or service facility, (2) the position did not exist prior to the  
568 construction, renovation, expansion or acquisition of the  
569 manufacturing facility, biomanufacturing facility or service facility,  
570 and (3) but for the construction, renovation, expansion or acquisition  
571 of the manufacturing facility, biomanufacturing facility or service  
572 facility the position would not have existed. For the purposes of this  
573 subsection, "gross rents" means gross rents as defined in section 12-218.

574 [(d)] (e) The credit allowed by this section may be claimed only by  
575 the initial occupant or occupants of the manufacturing facility,  
576 biomanufacturing facility or service facility. The owner of the  
577 manufacturing facility, biomanufacturing facility or service facility  
578 may not claim the credit unless the owner is also an occupant. The  
579 credit may first be claimed on the tax return for the taxpayer's income  
580 year which begins during the calendar year next succeeding the  
581 calendar year in which the taxpayer was issued an eligibility  
582 certificate, and may be claimed in each of the following nine income  
583 years. If within such period, however, any facility for which an  
584 eligibility certificate has been issued ceases to qualify as a  
585 manufacturing facility, biomanufacturing facility or service facility or  
586 any occupant of a manufacturing facility, biomanufacturing facility or  
587 service facility ceases to be an occupant, the entitlement to the credit  
588 allowed by this section shall terminate in the income year in which the  
589 qualification or occupancy ceases, and there shall not be a pro rata  
590 application of the credit to such income year.

591 [(e)] (f) Any subsequent occupant or occupants of a manufacturing  
592 facility, biomanufacturing facility or service facility for which an  
593 eligibility certificate has been issued may claim the credit allowed by  
594 this section in accordance with subsection [(c)] (d) of this section but

595 only after obtaining a new eligibility certificate with respect to the  
 596 manufacturing facility, biomanufacturing facility or service facility  
 597 being occupied in the manner provided in section 32-9r, as amended  
 598 by this act.

599 [(f)] (g) The Commissioner of Economic and Community  
 600 Development shall, upon request, provide a copy of the applicable  
 601 eligibility certificate to the Commissioner of Revenue Services.

602 Sec. 5. (NEW) (*Effective July 1, 2010*) Notwithstanding section 12-705  
 603 of the general statutes, from October 1, 2010, to September 30, 2017,  
 604 inclusive, the liability under section 12-705 of the general statutes for  
 605 an employer making payment of wages to employees at a  
 606 biomanufacturing facility located in a distressed municipality shall be  
 607 limited to an amount computed in such manner as to result, so far as  
 608 practicable, in withholding from the employee's wages during each  
 609 calendar year an amount substantially equivalent to fifteen per cent of  
 610 the tax reasonably estimated to be due from the employee under  
 611 chapter 229 of the general statutes with respect to the amount of such  
 612 wages during the calendar year. For the purposes of this section,  
 613 "biomanufacturing facility" and "distressed municipality" shall have  
 614 the same meaning as in section 32-9p of the general statutes, as  
 615 amended by this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2010</i>	32-9p
Sec. 2	<i>July 1, 2010</i>	32-9r
Sec. 3	<i>from passage and applicable to assessment years commencing on or after October 1, 2010</i>	12-81(59)
Sec. 4	<i>from passage and applicable to income years commencing on or after January 1, 2010</i>	12-217e
Sec. 5	<i>July 1, 2010</i>	New section

***Statement of Legislative Commissioners:***

In subdivision (h) of section 1, "which was" was added after "part thereof" and "such purposes which existed" was changed to "biomanufacturing purposes" for clarity and to insure cleanness and conciseness in phraseology. In subsection (c) of section 3, "a biomanufacturing facility" was changed to "such facility" for clarity and consistency with the style of the general statutes. In subsection (c) of section 4, a reference to the definition of biomanufacturing facility was added for clarity and consistency and "not less than" was changed to "the greater of" for clarity and to achieve the intent of the committee.

**CE**      *Joint Favorable Subst.*